The meeting was called to order at 7:30 P. M., with Mayor Tom Miller presiding. Roll call showed the following members present: Councilmen C. F. Alford, Simon Gillis, Mayor Tom Miller, and Councilman Oswald G. Wolf, 4; absent; Councilman C. M. Bartholomew, 1.

The Mayor stated that the meeting was called in pursuance of published notice of public hearing on the Budget of the City of Austin for the year 1937, in accordance with the statute governing the same.

The Mayor then submitted to the Council the following report of the City Manager relative to the Budget recommendations:

"December 4, 1936.

Honorable Mayor and Oity Council, Austin, Texas.

Gentlemen:

I am submitting to you herewith the Budget recommendations for the City of Austin for the fiscal year beginning January 1, 1937.

GROWTH OF AUSTIN

Before summarizing the Budget revenue and expense figures a few statistics indicative of the rapid growth of Austin appear to be pertinent, as these explain to a large extent the increased costs shown for many of the departments, especially during 1935 and 1936, and the necessity for increased Budget appropriations for 1937.

Three indices are fairly reliable: First, the volume of building permits as issued; second, the number of water meters in active use; and, third, the number of active electric meters.

Private Building Constd. Public Building Constd. Total	1932 \$1,111,306 4,064,100 \$5,175,415	1933 967,087 378,022 \$1,345,109	1934 \$ 546,835 279,710 \$1,125,545	1935 \$2,452,250 2,958,878 \$5,411,128	\$2,407,253 1,849,426 \$4,256,679
Meters in service Jan 1 of each year Water Light Power Total	1933	1934	1935	1936	1937
	13,890	14,126	14,978	16,213	17,000
	11,981	12,722	13,671	15,598	16,600
	844	826	840	468	500
	26,715	27,774	29,489	32,279	34,100

PRICE INCREASES

The cost of materials and supplies have generally increased since 1933, and the following list, of which the City uses large quantities each year, shows the per cent of increase or decrease, using 1933 prices as a base:

Gasoline - Lubricating Oil Tires and Tubes Cast Iron Pipe Galvanized Pipe		÷	1934 - 16.7% - 3.0 / 13.5 / 4.9	1935 2.8% 4.0 4.9 413.0 412.8	1936 - 3.4% -16.7 - 4.8 +20.0 + 7.9
Valves Copper fittings Crecsoted Poles Wire and Cable Transformers Electric Meters Water Meters	no change in prices	· · · · ·	/ 1.6 / .5 - 3.3	/ 2.2 / 3.0 / 2.8 / 2.6 /11.8	5.6 415.1 4 7.0 4 1.4 411.8
Sewer Pipe Asphalt Cement Gravel and Stone Drugs and Surg. Fresh Meats Groceries Chemicals	no change in prices		#12.5 #11.1 # 5.9 - 2.1 #18.2 # 7.0	\$ 5.5 \$1.1 \$ 5.9 \$ 10.4 \$33.8 \$ 25.7	5.9 5.9 4.1.9 4.6.3 -4.26.3 -1.0

CASH BALANCE

The available unincumbered cash to be carried forward into the 1937 Budget from

1936 operations has been closely estimated for each of the funds of the City, based on actual figures for the first eleven months of the current fiscal year and adding thereto estimated receipts and disbursements for the month of December.

These figures indicate that the City will close the fiscal year ending December 31, 1936, with a cash balance in all funds, this being the eleventh consecutive year that the City of Austin has closed its fiscal operations on a cash basis. This estimate is tabulated with actual cash balances of previous years for comparison.

UNINCUMBERED CASH BALANCES AT CLOSE OF YEARS INDICATED

General Fund Water & Light Fund Interest & Sinking Fund PWA Retirement Fund
Total

,	,	\	•	Estimated
1932	<u> 1933</u>	<u> 1934</u>	<u> 1935</u>	<u> 1936</u>
\$	6,566.01	\$ 15,927.49	\$ 14,047.31	\$ 19,750.00 .162,500.00
95,000.00		"361,749.20 9.868.74	213,125.24	.162,500.00
	3,042.02	7,000.14	41,694.04 42,582.00	30,322.50 46,500.00
\$95,000,00	\$311.786.25	2 367.807.95	4311,448,59	259.072.50

REVENUE

Thoroughly studied estimates of the anticipated revenue for 1937 have been made based on actual receipts for the past few years with adequate adjustments made to provide for up or downward trends as indicated for various items of income for each fund.

TAX COLLECTIONS

The first table following shows the estimated tax collections at the close of the present year compared with the past few years, and the estimated collections for 1937 used in the revenue estimates of this Budget. Included, of course, are school and debt service taxes and both these funds as well as the General Fund are adversely affected by the approximately one-half million dollars of delinquent taxes owing the City.

Estimated Estima	
Total Roll #1.195.512.98 #1.086.191.05 #1.058.171.85 #1.062.570.91 #1.142.	280.73
Current College. 935.501.50 588.007.18 902.900.45 910.381.19 974.	500.00 700.00
Delinquent Collecs. 71,202.94 127,300.37 275,709.53 89,852.71 84, Per cent Current 78.34% 81.75% 85.33% 85.68%	700.00
Per cent Current 78.34% 81.75% 85.33% 85.66%	85.3%
Collecs.	5 F3 Ø
Per cent Deling. 17.62% 22.68% 44.14% 18.54%	17%
Collegs. Cumulative Deling. 561,267.96 624,637.74 484,559.16 499,500.00	
at end of year	

From the above figures, it will be noted that the total roll, being taxes collectable by the City, has reduced continuously up to 1935, the high point being 1932 with a total roll of \$1,213,579.66. This reduction was caused by the 15% reduction in valuations authorized by the Council beginning with the 1933 roll and 10¢ reduction in the tax rate beginning with the 1934 roll, which are continuously reflected in each of the tax rolls from these years as these reductions are still in effect, except for the 5¢ increase in the Interest and Sinking Fund rate beginning with the roll for 1936 to provide for the retirement of \$350,000 School Bond issue for PWA school construction and improvements.

The percentage of current collections for 1936 is estimated to be higher than any of the previous four years; though only slightly more so than 1935, but the delinquent collections are much lower in percentage than the year 1934 and 1935, which the figures indicate will result in an increase of the cumulative delinquent taxes for \$454,559.16 at the close of 1935 to \$499,500.00 at the close of 1936. Revenue estimates for the 1937 Budget are figured on current and delinquent tax collections slightly under the percentage for 1936 as apparently being a reasonably conservative basis.

The above taxes are, of course, distributed to the School Board, to the retirement of the bonded debt of the City, and the General Fund operations in proportion to the rates applicable to the years in which the taxes are levied. In addition to its portion of tax revenue, the General Fund is partially supported by income and earnings from other sources, principally miscellaneous taxes and earnings of the various departments. For comparative purposes, the following tables indicate the revenue that has been derived from these various sources and the estimated revenue made for 1937 Budget purposes.

DEPARTMENTAL REV Penalty & Intere Licenses & Permi	вt	1933	1934 16,232.21 13,689.58	\$ 11,101.70 \$ 13,174.93	Estimated 1936 \$ 14,181.31 15,500.00	8	Estimated 1937 12,500.00 15,175.00	
Gross Recs. & Front Chise Tax Public Market Airport		14,178.54 2,702.05 396.33	15,822.40 2,345.50 711.94	16,697.27 3,114.25 1,000.00	18,318.51 3,075.00 1,200.00		18,500.00 3,000.00 1,200.00	
Cemetery Hospital Police Recreation Library		14,176.90 32,511.96 8,891.13 17,210.73 731.75	15,598.07 39,442.07 10,719.30 16,388.90 1.297.26	13,810.75 33,405.76 15,322.10 10,124.54 1,233.68	18,793.75 38,853.48 31,000.00 18,200.00 1.025.00		16,900.00 40,000.00 25,300.00 18,000.00	
Abattoir Miscellaneous Total	\$	38, 837.98 3, 175.05 153, 676.62	69,058.33 2,843.16 \$204,348.72	43,796.81 2,720.22 \$165,502.01	53,267.41 2,091.75 \$215,506.21	<u> </u>	50,000.00 2.400.00	

The above figures show yearly variations, the reasons for which are apparent in most cases, but a few are deserving of comment. For instance, the low revenue from the

Recreation Department in 1935 was the result of flood conditions which kept Barton Springs out of operation a great part of the swimming season, and the high figure for the Abattoir in 1934 resulted from the Federal Drought Cattle Slaughtering Program during which time the Abattoir handled over 12,000 cattle and prepared the meat from same for delivery to the Federal Canning Plants.

The other major sources of income of the City are the utilities revenue resulting from the operation of the Water, Light and Sewer Department, comparative collections of which and estimates for the 1937 Budget are shown in the following tables.

WATER, LIGHT AND	D BEWER REVENUE	Estimated Estimated
	<u> 1933 </u>	—
Gross Water Reve	\$ 336,698.06 \$ 372,214.50 \$ 364,4	44.30 \$ 389,868.35 \$ 401,500.00
Gross Electric Revenue	836,547.79 828,956.80 831,4	06.78 934,432.77 992,500.00
Gross Sewer Revenue		79.05 8.812.50 8.000.00
Total Miscellaneous	\$1,177,394.35 \$1,204,173.44 \$1,203,0 3,379.57 1,322.37 1,8	30.13 \$1,333,113.62 \$1,402,000.00 48.49 1.500.00 1.500.00
Total		78.62 \$1,334,613.62 \$1,403,500.00

The above figures are practically self-explanatory in showing the gross revenue for water, electric and sewer services, but it will be recalled that in 1934 and 1936 reduced water rates were in effect and were allowed in 1935 for a few days, but this was necessarily rescinded by the Council due to flood conditions, but the summer water rate is figured in the 1937 estimates.

With respect to gross electric revenue, the reduction in 1934, under revenue of 1933, resulted mostly from the 10% discount allowed for payment of bills within 20 days from date and this added to the approximate 12% rate reduction authorized in the beginning of 1935 permitted only a small increase in revenue, but the growth of the city and the large increase in the consumption of electric current has resulted in a much higher earning figure for 1936, even though these two reductions are still in effect and will continue in effect in 1937.

The items shown for sewer revenue are mostly for sewer service connections and tap charges and the increased building construction is reflected in these figures.

The total revenue of the City is fairly well covered by the foregoing information and, while apparently the income of the City is increasing normally, nevertheless the growth of the city and the resultant increase in the demands on all departments are at a greater rate than the revenue increases, and for that reason it is becoming increasingly difficult to expend the departments to meet public demands for service and at the same time keep all of the expenses within the revenue and maintain at the same time a sufficient cash reserve to provide for any emergencies that may arise.

BONDED DEBT

The debt service obligations of the City, being the semi-annual principal and interest payments on the outstanding bonded debt, is a definitely known amount each year based on the maturity dates of the bonds and the various interest rates, and the following comparative figures show the amount that will have to be met and provided for in the 1937 Budget as compared to similar payments during this and the preceding years.

Outstanding Jan General Obliga	uary 1 1933	· <u>1934</u> ·	. 1935	. <u>1936</u>	. 1937
tion Bonds Revenue & Util	\$4,769,250.00	\$4,658,000.00	\$4,451,000.00	\$4,365,000.00	\$4,643,000.00
1ty Bonds	1,526,000.00	1,444,500.00	1,365,000.00	1,706,500.00	1,992,000.00
Total -	\$6,295,250.00	86,102,500.00	\$5,816,000.00	86,071,500.00	\$6,635,000.00

Debt Payments Principal:				,			·
Gen'1 Oblg. Bonds	8	111,250.00	*	222,000.00	161,000.00 \$	132,000.00 \$	149,000.00
Rev.& Util. Bonds	-	<u>81.500.00</u>	-	79,500.00	111.500.00	118.500.00	168,500.00
Total Prince	c#	192,750.00	#	301,500.00 \$	272,500.00 \$	250,500.00	317,500.00
Interest: Gen'l Oblg.	•						
Bonds Rev.& Ut11.	\$	226,658.75	#	221,658.75	211,460.00 \$	211,302.50 \$	211,773.75
Bonds		72.911.25		69,061.25	74,496,25	84,534.25	85,247,50
Total Int.	\$	299,570.00	8	290,720,00 \$	285,976.25	295.836.75	297.021.25
Total Prin. & Interest	8	492.320.00	\$	592,220.00 \$	558,476.25 \$	546.336.75	614,521,25
i i							

Sinking Fund Accruals <u>\$ 7,000.00 \$ 7,000.00 \$ 7,000.00 \$ 7,000.00</u>

The increase in the amount of revenue and utility bonds outstanding on January 1, 1936, and the additional increase shown for January 1, 1937, represent PWA revenue bonds issued in 1935 and 1936, respective, for improvements to the water, light and sewer systems on which the City has secured large Federal grants. The increase in the general obligations bonds outstanding for 1937 includes the PWA School Bond issue on which the City is also receiving large Federal grants. Prior to these issues, however, the outstanding bonded debt has been decreased and will be continually decreased in a

substantial amount each year.

The total reduction in the principal, amounting to \$317,500 in 1937 will be the largest of any year so far, though the interest payments will not be appreciably larger than the last few years.

The reasons that the interest amount has not increased are: first, the annual retirement of bonds that has been made; and, second, the new issues carry much lower rates of interest than most of those already outstanding and the interest is actually less than in 1933, even though the bonded debt itself is actually about \$340,000 more than at that time.

With the revenue and resources computed for 1937, and the debt service requirements provided for, the remaining part of the Budget is recommended to the Council with the total appropriations which will be adequate for the various departments and which will at the same time be sufficiently within the income of the City to reasonably assure the City of remaining on a cash basis throughout the year 1937.

There have been some increases which had to be allowed in the Budget, and it was also necessary to eliminate from other departments certain improvement projects and items of expense to secure the desired results. The following is a tabulation of the total departmental expenditures recommended in this Budget for 1937 as compared with the actual expenditures of the same departments for the past four years, with comments of explanation where necessary.

EXPENDITURES

Administration & Finance	1933	1934	1935	Estimated	Budget 1937
City Manager's Office	\$ 7,325.49	\$ 7.945.01	\$ 7.952.41	\$ 8,681.50	\$ 8,786.00
City Clerk's Office City Attorney's Office	2,272.03 8.031.72	2,253.88 7,369.79	2,459,83	2,281.40 8,879.40	2,264.50 8,810.00
Auditor's Office	9, 146.49	10.120.43	11,737.08	13, 190.97	15,065.00
Tax Office	18,583.11	21,823.67	21,894.31	22,019.99 23,924.62	21,035.00
General Expense Total	\$60,211.41	18.337.25 867.850.03	25, 254, 88 877, 006, 84	\$78.977.88	17.720.00 273.680.50

The annual variations in these totals were due principally to the following causes: In 1934, the increase was due to building repairs in the City Hall and the installation of an elevator, and the increase in 1935 was caused primarily by the premium for three years on fire and tornado insurance on City buildings, and approximately \$5,000 of general flood expense. The increases in 1936 and 1937 are principally due to additional relief expenditures by the City due to the withdrawal of State and Federal Governments from the various relief activities, and additional Accounting personnel made necessary by book-keeping requirements on PWA and WPA and other government projects.

Engineering &
Public Works

Drafting Services
Street & Bridge
Trash & Garbage
Park & Cemetery Maint.
Market & Airport
Zoning & Inspections
Total

Engineering &
20,697.15 & 22,566.51 & 26,208.19 & 40,248.88 & 37,594.00
108,305.54 103,837.56 155,019.85 137,940.27 136,084.00
61,701.09 55,612.92 60,164.41 68,064.16 . 70,518.00
45,247.47 46,707.69 41,314.85 44,798.61 47,551.00
2,220.27 4,234.51 5,288.77 5,280.00
7,100.91 7,215.71 7,084.26 7,341.27 7,481.00
2444,543.99 \$238,160.66 \$294,026.07 \$303,681.96 \$304,508.00

The increases in the cost of Engineering and Public Works beginning in 1935 was partially due to the purchase of right-of-way for State Highway projects on South Congress Avenue and Barton Springs and Evergreen Roads. Continuing into 1936 and the Budget for 1937, additional engineering supervision has been necessary on PWA and WPA projects, and due to the great volume of public and private construction numerous street, sidewalk, and curb work has been done necessitating additional surveying parties and drafting work to properly establish grades and keep office records platted up-to-date. Also, increases have been necessary for new trucks, additional employees and equipment in the Street and Bridge, Trash and Garbage, and other divisions due to increased demands.

Public Health & Welfare Health & Charity Hospital Total

\$ 18,159.36 \$ 19,267.89 \$ 25,665.54 \$ 25,583.87 \$ 38,860.00 84.590.94 97.612.59 94.200.69 102.670.45 100.612.70 \$102,750.30 \$116,880.48 \$119,866.23 \$128,254.32 \$139,472.70

i'

Beginning with the low point of the depression in 1932, the public health and hospital services of the City were continually faced with greater expenses and demands which necessitated additional expenditures for personnel and supplies. Also, supervision and incidental expenses involved in the various government health and sanitation projects had to be supplied by the City, which, however, was small compared to the expense of the Government and the benefits derived from the projects. The health and charity increases for 1936 and the additional increases for the 1937 Budget are also due to additional relief and charity costs which heretofore have been provided by the State and Federal Governments but which are no longer available.

 Estimated Budget

 Public Safety
 1933
 1934
 1935
 1936
 1937

 Police
 \$ 84,471.36
 \$103,039.70
 \$114,267.83
 \$125,807.48
 \$121,795.00

 Fire
 114,440.33
 119,603.06
 129,452.24
 125,710.65
 159,205.00

 Total
 \$198,911.69
 \$222,642.76
 \$243,720.07
 \$251,518.13
 \$281,000.00

Beginning with 1934, depression conditions made necessary the purchase of additional squad care and motorcycles for the Police Department, and the employment of additional officers. Increased traffic congestion also made necessary additional expenditures and the City Police Broadcasting Station and receiving equipment plus operators for the station were added, beginning in 1934. Further increases were made in 1935 and 1936 in order to attempt to cope with the traffic situation and the reduction of the growing

number of fatalities and injuries throughout the City. No further comments are believed to be necessary as this increase was essential.

Some annual increase will be noted in the Fire Department, principally for a few additional men and additional trucks and equipment in an effort to improve the efficiency of the Fire Department and to secure additional fire credits; this resulted in increased good credit rates to Austin, from 15% to 25% in the year 1936. The large increase recommended in the Budget for 1937 is essential in order to maintain the present key rate as the rapid increase in population will require, during the first half of 1937, the construction of a new fire station in the northwestern section of the city, the purchase of one new 750 gallon pumper, new hose and equipment and the employment of ten additional men, which Items account for this increase.

Recreation & Education Recreation Libraries Total

\$30,168.73 \$34,239.29 \$59,010.81 \$55,765.23 \$45,565.75 \$11,182.67 13.077.14 14.425.24 15,158.14 15,600.60 \$41,351.40 \$47,316.43 \$73,436.05 \$70,923.37 \$61,166.35

The Recreation Department shows considerable fluctuation due principally to the construction of Shipe Park Swimming Pool in 1934, the purchase of Deep Eddy, land for Bailey Park, and the construction of Metz Swimming Pool all in 1935, and these additional swimming pools and playgrounds make necessary each year additional lifeguards, trained supervisors and other items of operating expense. In the 1936 expenses were such items as several thousand dollars for repairs, painting, etc. at Barton Springs, the construction of new band stand and comfort station, the July 4th Centennial pageant, and the purchase of a chlorinator and numerous other items of expense incident to the opening of the Deep Eddy Swimming Pool. Such capital expenditures, of course, will not be necessary in 1937, and accounts for the reduction in the Budget though increased operating costs will have to be met.

Abattoir

\$28,698.41 \$43,625.96 \$35,087.43 \$39,099.19 \$36,533.00

The increase in 1934 in expense was due to the Government cattle killing program and the large volume of work handled at the Abattoir with a corresponding increase in revenue however, and the additional cost in 1936 was primarily due to the renovation of all of the mechanical equipment and the installation of a new boiler and other capital improvements.

Water, Electric & Sewers	1933	1934	1935	Estimated 1936	Budget 1937
Electric Plant	\$168,505.57		\$167,569.64	\$173,653.45	128,995.00
Pumping Plant	31,688.89	37,139.33	48,289.87	39.731.77	45,035.00
Filter Plant	38,197.94	67, 188.94	42,463.90	44,261.25	43,026.00
Electric Distb.	742,514.85	142,707.23 99,584.57	210,301.28	236,043.68	293,439.92
Water Distb. Sewer System	97,415.60 44.663.81	99,584.57 37,671.04	111,457.50 65,506.79	131,732.33 57,264.48	136,009.00 75,255.00
Office	35,601.92	38, 151, 52	39,654.99		46,819.50
Purchasing & Inspec.	8,247,72	38, 151, 52 16, 666, 46	18,145.90	48,319.99 16,686.28	19,220.00
Ins/ & Spec. costs	9,830,59	15,366.67	200,222.45	25, 295, 7 <u>1</u>	9,156.25
Total	\$577,666.86	\$802,673.68	\$ 903,612.72	\$772,982.94	796,955.67

Important items resulting in the variations in the yearly costs of the different divisions were principally, in 1934, large expenditures at the electric and filter plants for the installation of new turbine, condenser and piping, additional pumping equipment and general building improvements. The principal item of cost during 1935 was special costs resulting from repairs and new construction caused by the 1935 flood, and additional extensions in the water and electric distribution divisions, and the extension of the sewer system resulting from the construction of new buildings and homes in all parts of the city. Similar expenses have increased the costs in 1936, and the 1937 budget will have to provide for continued installations of new water, electric and sewer extensions, and a considerable amount for rehabilitation of the electric distribution system and the strengthening of circuits which are rapidly becoming overloaded and must be provided with additional transformer capacity, and provision for additional circuits from the plant.

The comments with respect to all of the items of expense are necessarily limited to major costs as it is impossible to enumerate all of the minor items of expense that occur in the various divisions from year to year.

Concluding this letter of transmittal and Eudget summary, it is distinctly creditable to the economic condition of Austin that in the midst of the depression taxes could be reduced twice, electric rates reduced twice, and summer water rates allowed for two separate summers and at the same time additional appropriations for City departments could be safely made and additional equipment purchased and new construction projects undertaken without impairing the credit of the City in anyway.

Respectfully submitted,

(Sgd) Guiton Morgan City Manager.

The report was received and ordered filed.

A number of citizens, including a committee from the Southside Development Club, were present, but no one appeared to protest any of the Budget appropriations.

Messrs. B. J. Rupert and Chas. Berg, representing the Southside Development Club,

commended the City Council and City Manager for the sound financial condition of the City as shown in the budget cash balances.

Messrs. Wilson and Duffy, representing the Davidson Sash & Door Company, submitted a protest against the valuation placed on the improvements belonging to said Company at 817 East 5th Street. After a discussion, the matter was referred to Councilman Gillis and the Board of Equalization for investigation.

Upon motion, duly seconded and carried, the meeting was recessed subject to call of the Mayor.

Approved: Jonnella.

Mayor.

Malei Mehlear
Gity Glerk

REGULAR MEETING OF THE CITY COUNCIL:

Austin, Texas, January 7, 1937.

The meeting was called to order at 11:00 A. M., with Mayor Tom Miller presiding. Roll call showed the following members present: Councilmen C. F. Alford, Simon Gillis, Mayor Tom Miller, and Councilman Oswald G. Wolf, 4; absent, Councilman C. M. Bartholomew, 1.

The reading of the Minutes was dispensed with.

Councilman Wolf moved that J. F. Lopez be granted a temporary taxicab license during the coming session of the Legislature, and that the following named persons be granted an extension on their temporary taxicab permits for said period of time, all of such permits to be accompanied by letters of recommendation from the Police Department: H. I. Sites, Taxicab Permit 21; Lightsey Cab Company, Taxicab Permit 53; Lightsey Cab Company, Taxicab Permit 55; D. F. Samuel, Taxicab Permit 56; P. J. Hill, Taxicab Permit 57; Ben R. Parker; Taxicab Permit 58; Elgin Beard, Taxicab Permit 59; F. R. Arnhamn, Taxicab Permit 60; J. E. Haire, Taxicab Permit 61; and Sid Kelso, Taxicab Permit 62. The motion carried by the following vote: Ayes, Councilmen Alford, Gillis, Mayor Miller, and Councilman Wolf, 4; nays, none; Councilman Bartholomew absent, 1.

The application of Willie Shelby, Colored, for permission to erect a building for a barber shop at 1906 East 11th Street closer to the curb than the established building line was referred to the Building Inspector for investigation.

Councilman Wolf moved that the following named persons be granted taxicab driver's permits, in accordance with the recommendation of Roy J. Smith, Captain of Police.